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# The Senate of the State of Texas

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**Senator Eliot Shapleigh**  
District 29

December 21, 2007

Commissioner Ric Williamson  
Chair, Texas Transportation Commission  
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Dear chairman Williamson:

For nearly 100 years, Texas has had a highway system that was the envy of the world. As the collapse of the bridge in Minnesota demonstrated, our infrastructure is aging and states face a daunting but clear mandate to improve this infrastructure. Last week, the Texas Department of Transportation (TxDOT) announced that they will shift funding away from road construction and target funds on road maintenance.

According to TxDOT, over the past quarter century, the Texas population increased 57% and road use increased by 95%, but road capacity grew only 6%. During the next 25 years, TxDOT estimates that the state's population will increase by 64% and road use will grow by 214%. However, absent new resources, state road capacity will again increase only 6%. Complicating this scenario, Texas is home to the nation's largest highway system with close to 80,000 miles of roads and more bridges than any other state. At last count, about 4 percent of Texas' 50,000 public bridges are "structurally deficient" according to TxDOT's latest inspections. Keeping our transportation system in good repair is increasingly expensive.

With growth in China and India, highway construction costs have increased by 73% since 2002, an inflation rate far higher than that for consumer goods. Suburbs near Dallas, Austin, San Antonio and Houston are some of the fastest growing areas in the United States. In fact, three Texas cities - Dallas, Houston, and San Antonio- are among the 25 cities in the nation with the worst congestion. For years, the Border has faced its own significant challenges with both fast growth, low per capita highway allocations and more trade. In order to keep our roads and bridges safe in the future, over the next five years, TxDOT expects to shift \$6 billion from new construction to maintenance.

According to TxDOT estimates, the gap between needed infrastructure and available money is estimated at \$77 billion. That is, based on Transportation Improvement Program (TIP) reports that each Metropolitan Planning Organization (MPO) must submit by law, in order to build the roads we need to move people and product over the next ten years will cost \$86 billion



more than what's in the budget today. For Texas and other states, the revenue from state and federal fuel taxes is not keeping up with growing transportation needs and rising construction costs. Although state fuel tax revenue was up 2% this fiscal year, this did not provide the money needed for construction. By 2008, all "gas tax" money in Texas will pay only to maintain current road infrastructure. Since 1991, 38 cents of each gallon sold was supposed to go to roads—20 cents to the state, 18 cents to the Federal government. However, the "no new taxes" pledge made each session has led to the road money available each biennium being raided to pay for other things. The appropriations bill passed this session transferred \$1.5 billion out of the state highway fund to non-transportation uses, a 15% increase over the previous biennium. Herein below is a chart that shows the current diversion of highway funds to other uses in the state:

**Diversions under Fund 6**  
(All Figures are for FY 2008-2009)

<b>Description</b>	<b>Amount</b>
%25 gas tax toward the available school fund. Enacted in the 1940s at the inception of the state tax	\$1.5 billion
Office of the Attorney General. \$1.7 million for the biennium for litigation expenses related to the conversion of mineral rights on state property. Enacted in 1986	\$1.7 million
Department of Public Safety. \$1.100 billion for highway enforcement. Enacted in 1986	\$1.100 billion
Automobile Theft Prevention. \$27.6 million for grant activities and administration of auto theft prevention. Enacted in 2004	\$27.6 million
Commission on the Arts. \$1.34 million. Enacted 1998	\$1.34 million
Historical Commission. \$1 million. Enacted 1998.	\$1 million
Health and Human Services. Enacted in 2006	\$20 million
Texas Education Agency. Enacted in 2006	\$100 million
Texas Transportation Institute. Enacted in 2002	\$13 million
Border Security	\$100 million
<b>Diversions Total</b>	<b>\$2.864 billion</b>

Source: Texas Department of Transportation, Legislative Affairs Office, e-mail correspondence, Ms. Cady North, Legislative Analyst.

As the chart above indicates, out of a 2008-09 biennial budget of \$7.6 billion, \$4.8 billion now goes to roads and \$2.8 billion has been diverted to pay for schools, border security, the Department of Public Safety, and even the arts.

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One option for addressing this funding shortfall is to pay for roads the old-fashioned way—with a gas tax. Of course, the House must generate any tax bills, and it is highly unlikely it would raise the gas tax despite the obvious need to do so. The price of gas has gone from \$1.40 a gallon when George Bush was elected in 2000 to \$2.95 a gallon today. Last session the House voted to *cut* the gas tax by \$700 million. With gas at \$3.00 a gallon, most lawmakers will not raise gas taxes.

Another option is borrow our way to mobility. But, as every homeowner knows, you have to pay the bank. Without more revenue for roads, the money would have to come from the General Fund, which already faces increasing demand for schools, CHIP, and colleges.

Yet, another option is reinvestment zones—take new tax revenues generated in areas around highways and build more. Last session, we passed such a bill—but the money is not nearly enough.

The final option is tolls. Pay as you go, and build what you need. In El Paso, we've had tolls longer than any Texas city. They are called international bridges. Faced with the choice of no bridge or a toll bridge, our community made the decision long ago to support tolls. To keep Texas moving forward, more of us need to talk honestly about the road ahead. Good roads and infrastructure are the keys to good jobs. If we want a better Texas, we need quality infrastructure with a set of clear and broadly supported options to pay. I believe that Texans will respond if we just lay out the options. Based on what my people tell me, "stuck in traffic" is not an option.

During the Transportation and Homeland Security committee hearing in El Paso on November 8, 2007, I discussed with TxDOT's Commissioner Ted Houghton and Executive Director, Amadeo Saenz, a "closing the gaps" report for mobility.

To move Texas to the 21st century, I ask that you prepare a "moving Texas to the 21st century" report that clearly lays out the facts and all options available to us to pay for progress. With clear data and policy options, I believe that we can make significant progress during the next legislative session. Our office will continue to support a TxDOT that boldly seeks to meet the challenge in this 21st century by moving people and products faster, safer and smarter. I want to personally thank you for your strong and courageous leadership in making clear to all Texans the challenge in the road ahead and making our choices clear to those of us who have a vote.

Very truly yours,

A handwritten signature in black ink that reads "Eliot Shapleigh". The signature is written in a cursive, flowing style.

Eliot Shapleigh